



October 24, 2019

VIA United States Mail & E-Mail

Mr. Richard A. Rice
The Rice Firm, LLC
420 North 20th Street, Suite 2200
Birmingham, Alabama 35203
rrice@rice-lawfirm.com

**Re: Mr. Michael Threatt
Notice of Termination
Sylacauga Housing Authority**

Mr. Rice,

As you may know, my firm represents the Board of Commissioners of the Sylacauga Housing Authority ("SHA"), and this letter shall serve as notice that SHA's Board of Commissioners has elected to terminate Mr. Michael Threatt ("Mr. Threatt") as SHA's Chief Executive Officer and Secretary/Treasurer ("CEO"), effectively immediately. The basis as Mr. Threatt's termination is serious and repeated material breaches of his employment contract, as set forth below.

By way of background, Mr. Threatt served as the CEO pursuant to that certain employment contract dated October 30, 2018 by and between Mr. Threatt and SHA ("Contract"). Pursuant to the Contract, Mr. Threatt was, among other things, required to "supervise and be responsible for all affordable housing management, public housing management, information technology, procurement, maintenance, real estate development, strategic planning, human resources, fiscal operations, nonprofit management, community economic development, resident services, public affairs, and neighborhood revitalization programs undertaken by [SHA]." In addition, the Contract imposed upon Mr. Threatt an obligation to "carry out his duties in such a manner that is in the best interest of the Employer, its employees and its residents." Mr. Threatt, however, failed to meet his contractual obligations. More specifically, during his tenure as CEO, Mr. Threatt has taken the following actions that conflict with his contractual covenants:

- During the summer of 2019, SHA received multiple deficiencies for performance that occurred under Mr. Threatt's management;

- Mr. Threatt directly attempted to prevent the Board of Commissioners from holding a meeting by locking the Board out of SHA's boardroom and also directing a SHA employee to call the police;
- Mr. Threatt attempted to evict and/or terminate HeadStart's lease based the allegations of lead paint issues that required remediation despite the fact that no such issues existed;
- Mr. Threatt also withheld a utility bill for HeadStart that prevented the timely payment of the same;
- Mr. Threatt and his executive team has caused SHA's well-established and long-standing relationship with the Sylacauga Police Department to deteriorate to the detriment of SHA and its residents;
- Mr. Threatt unilaterally formed a number of non-profit associations that were intended to serve as "instrumentalities" of SHA without SHA's permission or knowledge and charged the expenses related to the formation of such entities to SHA accounts;
- Mr. Threatt refused to pay an outstanding Sylacauga Utilities invoice, which delayed the repair of a power pole until Chairman Lozito personally guaranteed payment and forced residents, including ailing and elderly individuals, to unnecessarily endure a period without power; and
- Mr. Threatt has created and allowed to persist a hostile work environment for SHA employees.

Not only were these actions contrary to Mr. Threatt's express contractual obligations, they were against SHA's established policies and also render Mr. Threatt incapable of continuing to efficiently and effectively serve as SHA's CEO. As a result, SHA is left with no choice but to terminate Mr. Threatt. Please ensure Mr. Threatt returns to SHA any and all SHA property in his possession within five (5) days of your receipt of this letter. Otherwise, SHA will have no choice but to consider his retention of such property conversion and/or theft.

Kindly note that Mr. Threatt may request a due process hearing before an impartial decision maker by submitting to SHA a written request for the same on or before November 13, 2019. If requested, the hearing will be conducted in private, and Mr. Threatt may offer sworn testimony from himself and others, as well as other evidence, and may also retain a court reporter and a transcription of the hearing at his expense. Additional administrative and procedural details applicable to such a hearing will be provided in the event Mr. Threatt requests a hearing. With that said, Mr. Threatt is certainly welcome to suggesting any specific hearing procedures he desires. Should Mr. Threatt desire to have the assistance of counsel at such hearing, kindly ensure that his attorney(s) are identified in his request for a hearing.

I greatly appreciate your time and consideration of this matter. Should you have any questions, please do not hesitate to contact me (swaddell@gregvarnerlaw.com) or my colleague, Greg Varner (gvarner@gregvarnerlaw.com) at your earliest convenience. I look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "Spencer P. Waddell". The signature is fluid and cursive, with the first name "Spencer" being more prominent.

Spencer P. Waddell

cc: Mr. Sam Royster
Mr. Patrick Lozito, SHA Chairman
Greg Varner (firm)



December 2, 2019

VIA United States Mail & E-Mail

Mr. Richard A. Rice
The Rice Firm, LLC
420 North 20th Street, Suite 2200
Birmingham, Alabama 35203
rrice@rice-lawfirm.com

**Re: *Mr. Michael Threatt*
 Post-Termination Hearing
 Sylacauga Housing Authority**

Mr. Rice,

Per your November 11, 2019 request a post-termination hearing on behalf of Michael Threatt ("Mr. Threatt") concerning his termination as the Executive Director of the Sylacauga Housing Authority ("SHA"), please find below a list of three impartial decision makers from which Mr. Threatt may select the officer to preside over the hearing. Please notify me of Mr. Threatt's selection of the three (3) business days of your receipt of this letter, so that I may obtain and circulate potential dates for the hearing.

- Hon. Jerry Fielding, Retired Talladega County Circuit Judge
- Hon. Tom F. Young, Jr., Retired Tallapoosa County Circuit Judge
- Hon. Julian King, Retired Talladega County Circuit Judge

Kindly note the individual presiding over the hearing ("Hearing Officer") will, after receiving all appropriate evidence, issue a written finding of facts, render an opinion as to whether the termination of Mr. Threatt's contract was in fact justified, and if necessary, make recommendations to SHA's Board of Commissioners ("Board"). The Hearing Officer, however, does not have authority to grant any relief related to Mr. Threatt's termination, and as such, the recommendations are not binding on the Board. The Board will take the findings under careful and thoughtful consideration and evaluate any and all recommendations, including, but not limited to, reinstatement, in the event such a recommendation is made.

As previously noted, the hearing will be conducted in private unless Mr. Threatt requests otherwise, and he may retain a court reporter to transcribe the hearing at his own expense. Given that this is not a judicial proceeding, the formal rules of evidence shall not apply. Instead, the hearing officer shall be allowed to conduct the hearing informally, both as to rules of procedure

Ashland Office

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104 Court Square Phone: (256) 354-5464
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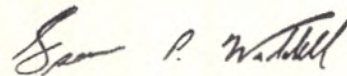
and the admission of evidence. In other words, the hearing officer shall accept evidence on which persons commonly would rely in the conduct of their business affairs. Mr. Threatt shall have the right to offer sworn testimony, from himself and others, as well as other appropriate demonstrative evidence. Similarly, the Board and Mr. Threatt shall be allowed to cross-examine the other party's witnesses. Despite the lack of procedural and evidentiary formality, SHA believes it is appropriate that each party provides to the other, not less than (7) days prior to the date of the hearing, a list of witnesses the party intends to call at the hearing.

The charges to be heard at the hearing are detailed in my prior letter dated October 24, 2019. To the extent additional evidence supporting the Board's decision to terminate Mr. Threatt's contract has been or is discovered prior to the hearing, the Board reserves the right to supplement the charges with such information. The Board will, however, disclose in writing any such information not less than seven (7) days prior to the hearing. With respect to your prior request for records concerning Mr. Threatt's personnel file, I have not received a signed authorization for the release of such records. SHA cannot release any personnel records unless and until it receives a signed authorization form, and I have enclosed herein for your convenience another copy of the authorization form.

In the event Mr. Threatt objects to any of the suggested rules or procedures, or has any suggestions or requests related thereto, including any additional rules/procedures, please provide written notice of the same within five (5) days of your receipt of this letter. Kindly note that SHA will construe the lack of a timely objection or requests as constructive acceptance of the rules and procedures discussed herein.

As always, I greatly appreciate your time and consideration of this matter. Should you have any questions, please do not hesitate to contact me (swaddell@gregvarnerlaw.com) or my colleague, Greg Varner (gvarner@gregvarnerlaw.com) at your earliest convenience. I look forward to hearing from you.

Sincerely,



Spencer P. Waddell

enclosure

cc: Mr. Patrick Lozito, SHA Chairman
Greg Varner (firm)

Sylacauga Housing Authority
Employee Handbook

Date Prepared: June 17, 2019

Sample Form 6: Authorization for Release of Personnel Records

I, _____, hereby authorize the _____
(Employee Name) (Agency Name)

To release my personal records, as specified below, to:

Name: _____ Title: _____

Organization: _____

I authorize the release of the following Personnel file information:

- ☐ Employment Application
- ☐ Payroll / Salary records
- ☐ Letters of Commendation/Discipline
- ☐ Performance evaluations
- ☐ Annual Leave use records
- ☐ All Records in the departmental personnel file
- ☐ Other (Specify)

This Authorization shall be valid for a period of one (1) year from the date of signature.

Signature of Employee

Date of Signature

Note: The Authorization for the Release of Personnel Records shall be presented to CHRO, and such releases shall become a part of the employee file.



December 19, 2019

VIA United States Mail & E-Mail

Mr. Richard A. Rice
The Rice Firm, LLC
420 North 20th Street, Suite 2200
Birmingham, Alabama 35203
rrice@rice-lawfirm.com

**Re: Mr. Michael Threatt
Sylacauga Housing Authority**

Mr. Rice,

This letter shall serve as a response to your correspondence dated December 9, 2019 and December 17, 2019 concerning Mr. Threatt's request for a post-termination hearing and his request for distribution of retirement funds. As an initial matter, please note that, while SHA invited Mr. Threatt's objections or suggestions related to the proposed rules and procedures for the post-termination hearing, SHA did not solicit suggestions or objections to the proposed hearing officers or the location of the hearing. Nor is SHA under any obligation to consider such objections or suggestions, and your allegations that allowing a retired circuit court judge to serve as the hearing officer casts a cloud of impropriety on the hearing is wholly without merit. None of the hearing officers played any role whatsoever in the termination of Mr. Threatt's employment contract, and as such, there is no impropriety or conflict of interest that prevents them from serving as an impartial hearing officer. To the extent Mr. Threatt still desires a post-termination hearing, please notify me of his selected hearing officer within three (3) days of your receipt of this letter.

With respect to your inquiry concerning Mr. Threatt's retirement benefits, please find enclosed herein a request for benefit payment and related forms for his review and execution. Kindly e-mail a copy of the completed form and send the original to our post office box, and I will ensure it gets in the appropriate hands at SHA. Similarly, kindly note that I have received the signed authorization form pertaining to the release of Mr. Threatt's personnel file, and I will forward those documents as soon as possible.

As always, I greatly appreciate your time and consideration of this matter. Should you have any questions, please do not hesitate to contact me (swaddell@gregvarnerlaw.com) or my

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Birmingham, AL 35242 Fax (866) 608-7630

colleague, Greg Varner (gvarner@gregvarnerlaw.com) at your earliest convenience. I look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "Spencer P. Waddell". The signature is fluid and cursive, with the first name "Spencer" being more prominent.

Spencer P. Waddell

enclosure

cc: Mr. Patrick Lozito, SHA Chairman
Greg Varner (firm)



January 27, 2020

VIA United States Mail & Facsimile

Alabama Department of Labor
Hearings and Appeals Division
649 Monroe Street
Montgomery, Alabama 36161
Facsimile: (334) 956-5891

Re: *Sylacauga Housing Authority's Notice of Appeal*
Former Employee: Michael C. Threatt
Social Security Number: 064-66-4319
Case No.: 0027AT20

To whom it may concern,

This letter shall serve as notice that the Sylacauga Housing Authority hereby withdraws its appeal of the unemployment benefit determination in the above-referenced matter concerning SHA's former Executive Director, Michael C. Threatt.

Thank you for your time and attention to this matter, and should you have any questions, please do not hesitate please do not hesitate to contact me (swaddell@gregvarnerlaw.com) or my colleague, Greg Varner (gvarner@gregvarnerlaw.com) at your earliest convenience.

Sincerely,

A handwritten signature in blue ink that reads "Spencer P. Waddell".

Spencer P. Waddell

cc: Mr. Patrick Lozito, SHA Chairman
Mr. Richard Rice (rrice@rice-lawfirm.com)
Greg Varner (firm)

The logo for Greg Varner Law, featuring a stylized "V" with a checkmark-like shape inside it.
Greg VarnerLaw.com

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